

State of Louisiana

State Budget

Fiscal Year 2007-2008

Kathleen Babineaux Blanco
Governor

Jerry Luke LeBlanc
Commissioner of Administration





State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

KATHLEEN BABINEAUX BLANCO
GOVERNOR

JERRY LUKE LEBLANC
COMMISSIONER OF ADMINISTRATION

September 28, 2007

The Honorable Kathleen Babineaux Blanco
Governor
State Of Louisiana
Post Office Box 94004
Baton Rouge, LA 70804-9004

Dear Governor Blanco:

Pursuant to law (Louisiana Revised Statute 39:56), the Division of Administration - Office of Planning and Budget has prepared the official state budget for Fiscal Year 2007-08, which is contained herein. The presentation reflects in detail the financial plan for the fiscal year as to both means of financing and expenditures. This document includes the legislative budgetary actions of the 2007 Regular Session of the Legislature and the Expenditure Limit report for Fiscal Year 2007-08.

Louisiana continues to aggressively work toward recovery and rebuilding in the affected areas of Hurricanes Katrina and Rita. Pages 2a-2ii of this document contain budget highlights by functional areas reflecting the enacted Fiscal Year 2007-08 State Expenditure Plan, including hurricane disaster recovery efforts.

To reflect an accurate level of state spending, adjustments to the total expenditure and total revenue have been made in the enclosed financial statements. The adjustments include netting out ancillary self-generated means of finance, interagency transfer appropriations, and other adjustments in order to avoid double counting.

For Fiscal Year 2007-08, the adjusted state spending plan totals \$29,805,161,820 and revenue for the state, adjusted for estimated tax reduction actions of the legislature of \$187,974,400, totals \$29,806,063,688. These totals include \$8,388,909,533 in hurricane disaster recovery funding. Adjusted anticipated state revenue from taxes, licenses, fees, and funds, from which the budget during the 2007 Regular Session of the Legislature was comprised, totals \$13,985,329,957. Augmenting this income will be Federal receipts estimated at \$15,820,733,731, to be used mainly for highways, education, social services, and disaster recovery. At this funding level, the June 30, 2008, State General Fund (Direct) balance would be \$901,868.

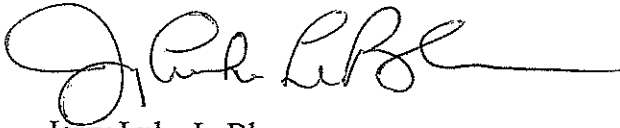
The Honorable Kathleen Babineaux Blanco

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September 28, 2007

The appropriated expenditures in the cash portion of the Capital Outlay Act (Act 28) totals \$1,533,440,833. Projects funded from revenue bonds total an additional \$1,559,310,465. The bond portion of the Capital Outlay Act contains projects totaling \$4,985,159,258. Of this total, projects totaling \$4,977,791,520 are found in priorities 1-5, and those projects with no priority order total \$7,367,738.

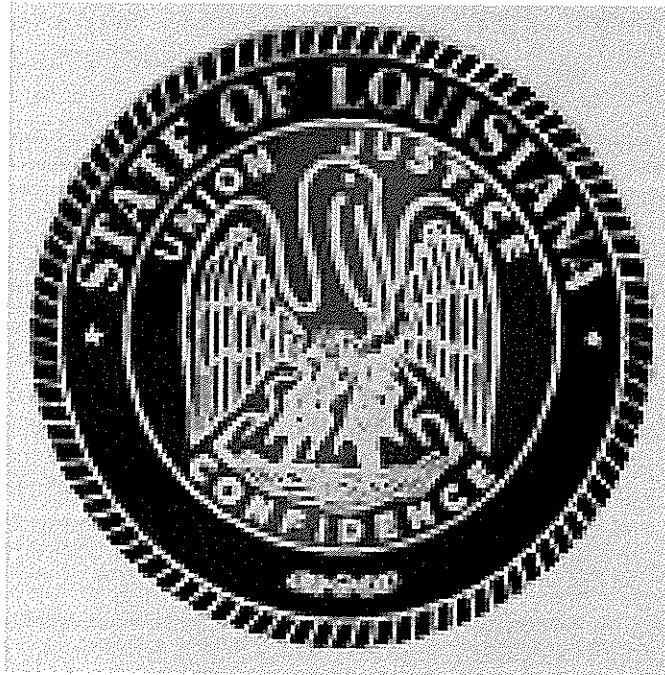
Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Luke LeBlanc", with a long horizontal flourish extending to the right.

Jerry Luke LeBlanc

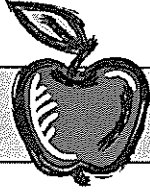
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Enclosure



FY2007-2008

BUDGET HIGHLIGHTS



EDUCATION

K-12 Education

The FY 2007-2008 Appropriated Budget positions education initiatives at the top of the priority list. The State's ability to succeed is directly linked to the quality of its educational system.

- **The total amount included for both teacher and support worker pay increases is \$191.5 million. The Minimum Foundation Program includes \$189 million of this total.**
 - **\$157.6 million in State General Fund is allocated for teacher's pay increase.** The additional funds provides for a \$2,375 pay increase for each certificated employee. The pay increase brings the average statewide teacher's salary in Louisiana to the SREB estimated average for FY 2007-2008.
 - **\$44.3 million State General Fund is allocated for support workers pay increase.** The additional funds provide for a \$1,000 pay increase per support worker. Support workers have been defined as instructional aides and paraprofessionals, school bus drivers, food service workers, school nurses, clerical, custodial, maintenance personnel, and any other employees of a parish or city school board who are not required to hold a teacher's certificate as a condition of employment.
- **The FY 2007-2008 Appropriated Budget fully funds the following programs:**
 - **Minimum Foundation Program (MFP) is funded at \$3.1 billion.** The MFP formula provides basic state aid to local schools. The FY 2007-2008 funding level reflects an additional \$195.4 million in State General Fund to MFP for a 2.75% normal student growth. Statutory Dedications increased by \$9.1 million, the net result of collections from the Support Education in Louisiana First Fund (SELF) and the Lottery Proceeds, in accordance with the February 16, 2007 Revenue Estimating Conference; SELF proceeds increased by \$9.8 million, and Lottery proceeds decreased by \$737,213. The Lottery proceeds decreased from \$119,437,213 to \$118,700,000. SELF proceeds increased from \$111,517,000 to \$121,398,245. \$10.7 million to address the Public districts in Jefferson Parish, Cameron parish and the City of Bogalusa to assist with recovery efforts and offset projected losses in total MFP program funding between FY06-07 and FY 07-08; and \$3.3 million to fund the increased mandated cost at \$5 per pupil. Total funding for the MFP formula is \$208.9 million.

- **LA-4 Early Childhood Program is fully funded at \$112.25 million.** LA-4 total funding is increased by \$26.5 million in State General Fund to reach approximately 17,438 students, including students attending the six-hour instructional component and students attending the four-hour before-and-after-school enrichment component. In addition to the \$86.5 million in Louisiana Department of Education's budget, \$8.5 million in Temporary Assistance for Needy Families (TANF) funding is budgeted in the Governor's Office for nonpublic LA-4 programs, and \$17.2 million in the Board of Elementary and Secondary Education's budget will be disbursed as block grants to all districts in the State.
- **FY 2007-2008 Appropriated Budget for Education Initiatives:**
 - **Increases Type 2 Charter Schools by \$1.4 million in State General Fund for anticipated enrollment increase.** Approximately 3,670 students will attend eight Type 2 Charter Schools in School Year 2007-2008, at a total cost of \$29.1 million.
 - **Includes an increase of \$21.6 million in Federal Funds for the No Child Left Behind School and Community Support Programs – Total funding \$291.7 million.**
 - **Increase an increase of \$1.5M - Stipends for Social Workers in the amount of \$5,000 for 300 individuals.**
 - **Includes an increase of \$4.8 million in State General Fund for Summer School Remediation – Total funding is \$16.4 million.**
 - **Provides \$500,000 in Temporary Assistance for Needy Families (TANF) funding to be used for the administration of General Education Development testing.**
 - **Provides \$500,000 in TANF funding to be used for the implementation of the Jobs for America's Graduates program.** A total of \$3 million is budgeted in State General Fund for administrative cost associated with the Required Services program in Non-Public Educational Assistance.

TOPS and Student Loans

- **Provides \$15 million in State General Fund for Go Grants (Need-based scholarships and grants).** The Louisiana Office of Student Financial Assistance (LOSFA) will provide financial aid to assist low-income students gain access to postsecondary education and to help relieve the significant loan burden to low-income Louisiana residents. The program will build on current Pell awards to assist full and part-time low-income students in covering the basic costs of education – i.e., tuition, fees, and books.
- **Fully funds the Tuition Opportunity Program for Students (TOPS) at \$118.4 million for 43,089 students.** In addition to the \$118.4M, \$1 million is provided to pay

prior year expenses that will come due in FY 2007-2008. Since FY 1999-2000, the average prior year payment that becomes due in the current fiscal year is \$1.2 million.

- **Continues \$4.5 million in State General Fund for student loan guarantees.** The funding helps LOSFA to compete with other financial institutions in the student loan guarantee industry. The funding will pay the 1% federal default fee assessed for students whose loans are processed through LOSFA.

Higher Education

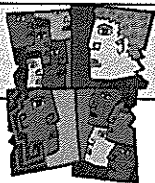
- **Fully funds the Higher Education Formula at 100% which equates to an increase of \$98.8 million in State General Fund.** The monies are for all formula institutions that have formula implementation rates less than 100%. This funding is necessary to insure that all institutions receive at least the average funding rates of their peers in the southern region as determined by the formula.
- **Provides \$17.1 million in State General Funds for 3% Flexible Funding for formula institutions currently at the 100% formula level, and for non-formula institutions.** The funding allocation is for campuses to be afforded financial flexibility to address new and expanded programs and key areas of funding need.
- **Adds \$30 million for a faculty pay raise.** A total of \$30 million, of which \$27.5 is State General Fund and \$2.5 million is Support Education in Louisiana First (SELF) Fund, is provided to help retain and recruit outstanding faculty. It is currently estimated that Louisiana's faculty at 4-year institutions are at 87% of the Southern Region Education Board (SREB) average for 4-year faculty. It is also estimated that Louisiana's faculty at 2-year institutions are at 92% of the SREB average for 2-year faculty. Although this pay increase may not close the gap entirely, each institution should receive approximately 5% of its current faculty salaries and related benefits that are currently funded within the operating budget for eligible faculty.
- **Includes an additional \$33.9 million for mandated cost.** A total of \$33.9 million, of which \$32 million is State General Fund, is being provided to higher education institutions for mandated cost such as merit increases, group insurance and retirement.
- **Includes \$12.5 million for Library and Scientific Acquisitions.** A total of \$7.5 million in recurring revenue is provided to replace one-time funding provided in FY 2006-2007 for Library and Scientific Acquisitions. This additional recurring revenue, along with the \$5 million in recurring funding already provided, brings the total investment for recurring funding to \$12.5 million.
- **Provides \$12.5 million for the development of the healthcare workforce in Louisiana.** Approximately \$7 million in General Fund and \$2.5 million from Statutory Dedications from the Higher Education Initiatives Fund is being provided to address the critical workforce shortage in Nursing and Allied Health Professionals in Louisiana. In addition to this investment, \$2 million in General Fund is being provided to Louisiana College for nursing training and allied health and \$1 million in General Fund

is being provided to Our Lady of Holy Cross College for nursing training.

- **Provides \$10.5 million for the Pathways to Construction Employment Initiative.** This initiative supports the workforce needs of employers in rebuilding projects in Louisiana while supporting efforts to move dislocated workers into high-growth, high-demand occupations by providing \$10.5 million from Statutory Dedications from the Higher Education Initiatives Fund. The goal of this funding is to help train 13,500 construction workers to meet the labor demands in the state of Louisiana. In addition to a new investment of \$5 million for FY 2007-2008, \$5.5 million remaining from the Pathways to Construction Training Initiative appropriation in FY 2006-2007 is continued for training efforts initiated under the Initiative.
- **Provides \$10 million in Statutory Dedications from the Higher Education Initiatives Fund for Faculty Recruitment.** The funds are targeted directly to hurricane-affected campuses to assist in meeting the challenges faced in retaining existing faculty, recruiting replacement faculty in cases of key faculty losses, and for efforts to restore and recover the research and operational capacity of those campuses.
- **Provides \$4 million for campus security.** This funding includes \$2.5 million from the Higher Education Initiatives Fund for the Louisiana Postsecondary Education Secure Campus Program. Another \$1.5 million is provided from the 2004 Overcollections Fund for technology for the identification of potential threats, including terrorist acts, criminal activity or other potentially hazardous situations.
- **Provides \$2 million in Statutory Dedications from the Higher Education Initiatives Fund for a Community and Technical College Pool.** The funding will assist new and emerging campuses meet accreditation requirements and new program development needs.
- **Includes \$4.25 million in Statutory Dedications from the Higher Education Initiatives Fund for Dual Enrollment Programs.** These programs allow high school students to enroll in college courses and earn college credit or receive technical training and certification while still in high school.
- **Adds \$11.2 million in State General Fund to strengthen key higher education target areas:**
 - \$3.2 million in State General Fund for the Louisiana Immersive Technologies Enterprise (LITE). LITE serves the state by furthering education in immersive technologies, engaging in collaborative research involving immersive technologies, and by furthering the economic development of business and industries utilizing immersive technologies.
 - \$3 million in State General Fund for the expansion of research at the Pennington Biomedical Research Center, which includes \$1 million for the Clinical and Translational Science Program, \$1 million for Adult Stem Cell Research and \$1 million for Diabetes Reversal Research.
 - \$3 million for the Center for Child Development at the University of Louisiana at

Lafayette.

- \$1 million in State General Fund for the School of Pharmacy at the University of Louisiana at Monroe.
- \$1 million for the general operations of the LSU Agricultural Center.



HUMAN RESOURCES

Health Care - Medicaid

The Department of Health and Hospitals' FY 2007-2008 Appropriated Budget totals \$7.7 billion. This represents an increase of \$489.6 million, or a 6.76% increase from the FY 2006-2007 Existing Operating Budget.

- **For FY 2007-2008, the Medicaid budget in the Department of Health and Hospitals shows a net increase of \$460.5 million.** Title XIX funding increased by \$90.6 million while Uncompensated Care Costs increased by \$40.8 million. Programs funded by the Medicaid program include:
 - Low Income Families and Children Program at \$302.9 million, serving 222,619 recipients
 - Breast and Cervical Cancer Program at \$15.8 million, serving 995 recipients
 - Community CARE Program which links Medicaid recipients to primary care physician at \$25.9 million, serving 876,605 recipients
 - Child Health and Maternity Program at \$637.7 million, serving 538,133 recipients
- **Home and Community Based Waiver Services funded at \$497.5 million to accomplish the following:**
 - 6,542 New Opportunities Waiver slots funded at \$357.7 million
 - 4,403 Elderly and Disabled Adult Waiver slots funded at \$65.5 million
 - 75,000 Family Planning Waiver slots funded at \$27.6 million
 - 2,188 Supports Waiver slots funded at \$20.1 million
 - 1,000 Children's Choice Waiver slots funded at \$10.8 million
 - 825 Adult Day Health Care Waiver slots funded at \$8.9 million
 - 200 Residential Options Waiver slots funded at \$4.3 million
 - 200 Adult Residential Care Waiver slots funded at \$2.2 million
- **Louisiana Children's Health Insurance Program funded at \$138.6 million, serving 152,418 recipients which consists of Early Periodic Screening, Diagnostic and Testing Programs.**

The FY 2007-2008 Appropriated Budget provides the Department of Health and Hospitals with the following expansions in the Medicaid Program:

- **Provides \$152.6 million for the following:**
 - Allows for health coverage to kids and social security eligible participants

- Increases Medicaid rates to 90%
- Initiates the Medical Homes Pilot Program
- Initiates the Family Opportunity Program
- Offers alternatives to individuals that need non-emergency treatment
- Increases EPSDT rate by 25%
- **Provides \$120 million for a Private and Public Community Hospital Pool.**
- **Includes \$113.3 million for a pay increase for direct service workers.**
- **Provides \$69.7 million for the following care programs:**
 - CPT psych services, increases the home health ventilator program
 - Adult population preventative immunizations
 - Increase in orthotics and prosthetics
 - Phases in 5 new federally qualified health centers and 12 new rural health centers
 - Mental Health Emergency Room Expansion
 - Implementation of the Med Detox Program in OAD
 - 43 psych and 20 detox beds for HCSD at MCLNO

The FY 2007-2008 Appropriated Budget provides the Office of Public Health with the following essential services:

- **Includes \$37.9 million for the HIV/AIDS Control Program.** The Program provides for AIDS/HIV education, risk reduction counseling, and drug assistance to infected individuals. Additionally, the funding provides for the testing of 50,000 persons, and counseling and drug assistance for 3,200 persons infected with AIDS. Additional \$80,000 State General Fund is added in FY08 for New Orleans Inner City for HIV, AIDS, Cancer and Wellness Project.
- **Includes \$15.4 million for other infectious disease programs which include sexually transmitted diseases and tuberculosis.**
- **Includes \$9.8 million for the Maternal and Child Health Program.** The Program will promote and maintain the health of children and indigent women in their childbearing years.
- **Includes \$11.7 million for Retail Food Program.** The goal is to prevent or minimize the occurrence of food-borne disease outbreaks through comprehensive programs of consulting, monitoring, permitting, and regulating of retail food establishments.
- **Includes \$11.1 million for the Immunization Program.** The Program will provide vaccines and supplies to administer immunizations to 90% of the State's children by the time they reach the age of two, and 95% of the State's children by the time they enter kindergarten.

- **Includes \$10.8 million for the Nurse Family Partnership Program.** This program begins during pregnancy and continues through the child's second birthday. It uses highly trained nurses to work weekly or bi-weekly in the home with first time, low-income mothers and their families to improve maternal health and birth outcomes through prenatal services; to teach parenting skills and help parents learn how to help their children for brain development and to help women get their own lives back on track by getting back in school and in the workforce. Currently this program serves 31 parishes representing each region of the state. Since the inception the program has completed approximately 97,090 visits for more than 4,720 families. An additional \$2 million IAT from DSS Federal TANF funding is added in FY08.
- **Includes \$10.1 million for School Based Health Centers.** Increases funding by \$755,284 for an additional 6 planning sites. The Centers will promote and maintain the health of school-aged children. Currently, there are 60 school based health clinics statewide which serve approximately 148,800 children. Additional \$100,000 State General Fund is added in FY08 for Riser School in West Monroe for school-based health care.
- **Includes \$9.7 million for the Children's Special Health Services Program.** The Program will plan, coordinate, improve and administer specialized medical care programs for eligible children with severe chronic medical illnesses or disabilities. There are approximate 4,900 children served statewide.
- **Includes \$6 million State General Fund for the Louisiana Emergency Response Network.** The funds will allow the Network to establish medical command and control centers to provide a seamless coordinated system of care for the acutely injured patients.

The Office for Citizens with Developmental Disabilities continues to effect changes that will improve quality of life at the 8 developmental centers throughout Louisiana by providing the following:

- **Includes \$22 million for the Early Steps Program.** The Program provides individualized services to disabled infants, children, and their families. Projections for FY 2007-2008 estimate that 3,415 children will be served.
- **Includes \$5.9 million for the Individual and Family Support Program.** The Program provides resources to people with developmental disabilities living in their own homes or with their families. \$1.5 million additional funding is added in FY08 to serve 428 individuals on the services list. Currently 2,765 people are being served through this program.
- **Provides \$4.9 million for a cash subsidy of \$258 per month per family with eligible children.** This funding is provided to 1,582 families.
- **Provides \$2.5 million for community support services to each of the 9 regions throughout the State.**

- **Provides \$2 million for shared waiver homes in 4 developmental centers, which are:**
 - Metropolitan Developmental Center
 - Northwest Developmental Center
 - Pinecrest Developmental Center
 - Ruston Developmental Center

The Office of Mental Health continues to improve services to serve individuals with mental and emotional disorders by providing community based services including treatment, rehabilitation and follow up care.

- **Adds \$14.1 million State General Fund to the Social Services Block Grant funding for this budget unit.** At this funding level, programs will be either created and/or expanded. Crisis Response Services for Adults include: crisis intervention units and other supports to emergency departments in public and private hospitals; alternatives to emergency departments and acute units; crisis respite; in-home crisis stabilization; crisis case management; crisis transportation; crisis phone lines; suicide prevention services; and crisis intervention team training for police. School-based, crisis, and other services for children and youth include: school based services in 31 parishes including the human service districts; juvenile justice programs; assertive community treatment programs; and family preservation programs.
- **Includes \$0.5 million for Early Childhood Supports and Services programs which provide mental health and social services to needy young children from birth to five years of age and their families.** This program provides services to approximately 500 young children.
- **Provides \$12 million total (\$9 million state funds) to continue operating services for the Access to Recovery Program of Treatment and Recovery Support Services.** Since inception this program has served over 16,000 individuals and provided them with multiple levels of care and recovery support service such as transitional housing, transportation, job readiness, and child care.
- **Includes \$3.7 million for Housing Supervised Independent Living Programs that provide individualized support and services in the homes of adults with mental illness.** There is one program in each region/district/authority and each of the ten programs will serve up to 60 persons annually. Services include: psychiatric management, coordination, monitoring of self-medication, intensive strengths based case management, assistance with personal care needs, money management, assistance in obtaining/improving personal income, and other personal skills training.
- **Includes \$3.6 million for Statewide Housing Intensive Supervised Residential Beds which provides for the board, care, and on-site supervision 24 hours a day, 7 days a week, for up to 240 indigent adults with serious mental illness annually.** Specific services include assistance with personal care needs, monitoring of self-

medication, money management, assistance in obtaining personal income, and other personal skills training and support services.

- **Provides \$3.2 million for a 25-bed Forensic Unit that will serve forensic patients with acuity levels that range from the most psychotic and most behaviorally disturbed patients to the patient who could be, and should be, progressing towards discharge to the community. Opening additional beds will help reduce the long-standing waiting list for patients who are housed in parish prisons across the state.**
- **Provides for \$3.7 million, and increases beds by 40, for the New Orleans Adolescent Hospital.** This expansion brings the total bed count to 60 in FY 2007-2008.
- **Provides for \$5 million for the Permanent Supportive Housing Initiative (CDBG) to help people with disabilities have successful tenancies and maintain access to safe and secure affordable housing.** DHH will deliver these services through the four Human Services Districts/Authorities, and the Office of Mental Health Region 5 office.
- **Provides for \$10 million for 100 inpatient psychiatric beds located statewide.** This will assist and support the emergency needs of the mental health population after the hurricanes.
- **Provides for \$5 million for new Crisis Intervention Units (CIUs) to assist the emergency needs of the mental health patients.** These new CIUs will operate in Jefferson Parish Human Services Authority, Capital Area Human Services District, Florida Parish Human Services Authority, and Region 8, and expanded operations in Region 5 Crisis Intervention Unit.

Health Care – Hospitals and Medical Schools

The Fiscal Year 2007-2008 provides \$2.5 million to the LSU Board of Supervisors for a Medical Division. The LSU Board of Supervisors Medical Division will address the coordination and oversight of health care and medical education activities within the LSU System. The LSU Board of Supervisors oversees the State's ten (10) public hospitals as well as two (2) medical schools.

Funding for the LSU Health Sciences Center Shreveport (HSCS) and E.A. Conway Medical Center:

- A total of \$229.8 million in Uncompensated Care Cost and Medicaid for the LSU HSCS is provided for Fiscal Year 2007-2008, a 4.5% increase over the FY 2006-2007 Existing Operating Budget. In order to meet the projected cost of hospital and medical school operations in Fiscal Year 2007-2008, the LSUHSCS is provided with an additional \$8.5 million in General Fund as well as increases in Commercial

Insurance and Self-pay collections of \$1.3 million and Medicare collections of \$1.5 million.

- For the E. A. Conway Medical Center, \$5.7 million in additional General Fund is provided to meet the projected increase in cost of operations for Fiscal Year 2007-2008. The projected cost include a decrease in collections from UCC and Medicaid of \$2.3 million, a 3.39% decrease under the FY 2006-2007 Existing Operating Budget.

The FY 2007-2008 budget restores indigent patient care services in New Orleans while maintaining the current level of services at other LSU Health Sciences Center-Health Care Services Division (HCSD) facilities. Medicaid and Uncompensated Care Costs (UCC):

- **Provides a total of \$656 million in funding of which \$184 million is in Medicaid and \$472 million is in UCC.** The Medicaid budget is a 37.6% increase over costs for the projected FY 2006-2007 level of Medicaid services. UCC budget is a 4.3% increase over projected FY 2006-2007 level of allowable costs.
- **Increases State General Fund by a total of \$79.9 million, a 15.1% increase over the FY 2006-2007 Existing Operating Budget.** State General Fund covers costs that do not qualify for federally matched UCC which include: prisoner care, HIV drugs and some professional services.
- **Provides for a total budget in HCSD at \$990.5 million.** This will ensure the continuation of current level of services at all 8 locations as well as the restoration of University Hospital in New Orleans to a total of 208 beds. This includes 52 beds for the Trauma Unit, which reopened in February 2007.

Families & Children

To provide essential family support services in the Department of Social Services (DSS):

- **Funds Temporary Assistance for Needy Families (TANF) initiatives at \$73.6 million for FY 2007-2008, with a concentration on children and families.** TANF funding is 100% Federal Funds with a total budget of approximately \$225 million.
- **Annualizes \$12.1 million in Interagency Transfers from the Office of Community Development/Disaster Recovery Unit.** This Unit addresses the increased problem of homelessness in the aftermath of Hurricanes Katrina and Rita.
- **Restores \$11.4 million in State General Fund to Louisiana Rehabilitation Services.** The funds are available to assist eligible clients with disabilities to become part of the workforces. Approximately \$41 million is included in the FY 2007-2008

Appropriated Budget for these services.

- **Increases \$8.4 million in State General Fund to the Office of Community Services.** The funds will be used to fund the impact of the Deficit Reduction Act on Title IV-E administrative and maintenance cost received by the department. The act eliminates the reimbursement of administrative cost for children who would be eligible for Title IV-E funds if they were in licensed foster care facilities rather than placed with non-certified relatives, caretakers, or in their own homes. There is approximately \$130 million budgeted for FY 2007-2008 in association with foster care activities.
- **Allocates \$4.3 million in State General Fund to the Office of Community Services.** The funds will be used to increase foster care payments and provider rates in the Child Welfare program.
- **Increases \$3.3 million in State General Fund to the Office of Family Support for the Support Enforcement Services (SES) activity.** Funds will be used to match additional federal Support Enforcement Incentive Funds since Congressional law mandates, effective 10/01/2007, that the current SES Incentive funds can no longer be used to match other federal funds. Support Enforcement budget for FY 2007-2008 is approximately \$66 million.
- **Allocates \$2 million in State General Fund and \$1.5 million in TANF Federal Funds to the Office of Family Support to administer a Community Response Initiative.** The focus of this initiative is to reduce poverty and assist in the recovery of citizens through community-based competitive grants directed toward innovative programming in high-risk parishes.
- **Provides \$1.0 million in State General Fund for independent living services to eligible consumers -** Total funding for this activity is \$1.2 million.

Juvenile Justice

Office of Youth Development (OYD) seeks to provide at-risk and delinquent youth the opportunity to become responsible and productive citizens using partnerships with families, communities, and other entities with emphasis on the safety of youth and the public. The FY 2007-2008 Appropriated Budget increases State General Fund by \$28.1 million.

- **Increases State General Fund in the amount of \$3.0 million.** \$1.5 million will be used to fund prevention and diversion programs throughout the local courts and sheriff's offices; and \$1.5 million will be used to provide models for a continuum of care throughout the state for young people and families who are in need of psychiatric care and home placement through the MacArthur Foundation.
- **Increases \$3.0 million in State General Fund for the LSU Health Science Center Contract.** Cost is associated with the LSU Health Science Center contract for

medical, dental, and mental health needs. Total contract is approximately \$15.6 million.

- **Adds \$4.6 million in State General Fund and 72 positions for the Bridge City Center for Youth.** The secure system is transitioning to the Louisiana Model (LAMOD) for secure care modeled after Missouri secure care facilities. This model calls for reduced numbers of youth per dormitory and enhanced interior "home-like" environment to foster a sense of community. Additionally, the strategic plan and reform process calls for regionalization of services. The increasing number of youth committed to custody and recommended for secure care from Region 1 - New Orleans, Plaquemines, Jefferson, and St. Bernard - resulted in the need for additional staff and bed capacity.
- **Adds \$4.1 million State General Fund for Correctional Security Officers, Youth Care Workers, Probation and Parole Officers pay increase in the amount of \$4,500 per employee.** The \$4,500 is in addition to the \$1,500 increase for all state workers bringing the total increase for Correctional Security Officers, Youth Care Workers, Probation and Parole Officers to \$6,000 for FY 2007-2008.
- **Adds \$657,000 in State General Fund for mental health services.** Funds will be used to provide mental health beds to the mentally ill and mentally challenged delinquents who are in need of mental and behavior treatment. These youths are not able to be placed in restrictive settings such as secure care.
- Includes an additional \$600,000 in State General Fund for the WARE Program, a residential and detention center that services 44 youth both girls and boys. WARE provides a structured behavioral treatment program which serves youths who have been adjudicated delinquent or in need of services in a professionally-staffed residential environment 24 hours per day and provides a comprehensive program of care and treatment to these youths in a non - secure setting. The funding for this program is a Special Legislative Project, and \$2.2 million is also included in the OYD base budget.

Special Populations

The FY 2007-2008 state budget supports Louisiana's war veterans by providing \$5.7 million for Northwest Louisiana War Veterans Home and \$5.1 million for Southeast War Veterans Home within the state. Construction of both homes was completed and the two homes started operation in FY 2006-2007. The additional funding is for new and expanded services provided in FY 2007-2008. Additional State General Funds of \$259,825 are provided for the State Veterans Cemetery opened in January, 2007, in Shreveport, Louisiana. Southwest Louisiana War Veterans Home will open a fourth wing in FY 2007-2008. The total funding for this home is increased by \$2 million (including \$94,485 State General Fund) for the new and expanded services in FY 2007-2008.

- The Northwest Louisiana War Veterans Home is a 156-bed facility located in Bossier City, Louisiana. Approximately 152 veterans will be residing in this home by June 30, 2008.

- Southeast Louisiana War Veterans Home is a 156-bed facility located in Reserve, Louisiana. Approximately 117 veterans will be residing in this home by June 30, 2008.
- The Southwest Louisiana War Veterans Home, established in 2004, is a 156-bed facility located in Jennings, Louisiana. After opening of a fourth wing in FY 2007-2008, approximately 152 veterans will be residing in this home by June 30, 2008.



BUSINESS & INFRASTRUCTURE

Economic Development

The Department of Economic Development's FY 2007-2008 appropriation totals \$78.1 million. This represents a net decrease of \$53.4 million, or 40.6%, from the FY 2006-2007 Existing Operating Budget. The reduction does not impact the core mission or services of the department. The reduction in funding is largely due to the non-recurring of \$11.4 million total means of finance in carryforwards, \$47.5 million of Community Development Block Grants in Interagency Transfer for the Business Recovery Grant and Loan Program and the Technical Assistance to Small Firms Program, and \$2.2 million in State General Fund for Special Legislative Projects.

Louisiana continues to aggressively market the business sector through financial assistance initiatives:

- Adds \$375,000 in State General Fund to the Louisiana Economic Development Regional Awards and Matching Grant Program bringing the FY 2007-2008 appropriation to a total of \$5.6 million in State General Fund. The program provides assistance to eligible economic development organizations in their comprehensive and strategic marketing and/or recruitment plans for towns, cities, parishes and regions as a site for new and/or expanded business development.
- Continues \$10 million in Statutory Dedications for the Economic Development Rapid Response Program. This program enables a rapid response capability for securing economic development opportunities for the state.
- Continues \$5.5 million in total means of finance for the department's advertising, promotion, and marketing related services. These services emphasize an economic approach targeted at identified economic development industry sectors.

Economic Development Infrastructure Initiatives:

- Adds \$1.8 million in Statutory Dedications in accordance with the payment of debt service for Union Tank Car bringing the FY 2007-2008 appropriation to a total of \$3.3 million in Statutory Dedications. The increase is for payment on both principal and interest owed, whereas last year's payment only included interest owed. FY 2007-2008 represents the third year of a 15 year commitment totaling \$45.4 million.

- **Non-recurs \$327,612 in Statutory Dedications in accordance with the payment of debt service for CG Railway, Inc. bringing the FY 2007-2008 appropriation to a total of \$1.8 million in Statutory Dedications.** The reduction in payment is from selling equipment worth \$2.5 million to CG Railway, Inc. to offset the total debt service owed. The revenue from this sale of equipment will be amortized over the remaining life of the debt. FY 2007-2008 represents the second year of a 10 year commitment totaling \$16.1 million.
- **Includes \$1 million in State General Fund to New Orleans Cold Storage for transportation drayage due to closure of Mississippi River Gulf Outlet (MRGO).**
- **Includes \$500,000 in State General Fund for the National Center for Advanced Manufacturing (NCAM).** This will enable the facility to have independent equipment operators and personnel to market, win, and manage NASA and other commercial customer contracts at the NCAM Center.

Culture, Recreation and Tourism

The Department of Culture, Recreation and Tourism's FY 2007-2008 appropriation totals \$107.3 million. This represents a net decrease of \$23.8 million, or 18.2% from the FY 2006-2007 Existing Operating Budget. The net reduction does not impact the core mission of the department. The reduction in funding is largely due to the non-recurring of one-time funds from the FY 2006-2007 Existing Operating Budget, including: \$28.9 million in Interagency Transfer from Community Development Block Grants for the Louisiana Tourism Marketing Program; \$5.5 million State General Fund for Special Legislative Initiatives; \$11.7 million Federal Funds for Disaster Relief Grants awarded to the Historic Preservation Office; and \$1.1 million in Federal Emergency Management Agency funding for storage, stabilization and return of the Old US Mint collection after hurricane damages in 2005.

The Office of State Library for enhancement of activities:

- **Includes an additional \$1.5 million in State General Fund for state aid to public libraries bringing the total budget to \$3 million.** State aid is used to strengthen public libraries in areas of technology and collections.

The Office of State Museum for restoration and enhancement efforts:

- **Provides \$681,000 in State General Fund for restoration of exhibits.** The funding allows for 2 additional positions and resources needed to replace exhibitions that are aging or that were either damaged or destroyed by the hurricanes of 2005.
- **Provides \$570,000 in State General Fund and six T.O. for enhancements.** This funding allows for: two additional positions at the Capitol Park Branch of the Louisiana State Museum; temporary registorial curators to assist with the return of museum artifacts to New Orleans and to bring older collection loans into compliance with Best Practices and Standards; one position to enhance the museum's visitor

services and information program; two positions to enhance public outreach; and one staff person at the Museum in Patterson to assist in upkeep and maintenance duties.

- **Provides \$400,000 in State General Fund as a Means of Finance swap for Fees & Self-generated Revenues.** The downturn in tourism resulting from the 2005 hurricanes severely cut into the Louisiana State Museum's ability to generate admission and rental revenues.

The Office of State Parks is funded so as to meet its core mission of: preserving and interpreting natural areas of unique or exceptional scenic value; planning, developing, and operating sites that provide outdoor recreation opportunities in natural surroundings; preserving and interpreting historical and scientific sites of statewide importance; and administering intergovernmental programs related to outdoor recreation and trails.

The Office of Cultural Development for enhancement of activities:

- **Adds \$490,000 in State General Fund and two positions for the Main Street Downtown Revitalization Program and the Urban Main Street Program.** These funds will strengthen the impact of these initiatives, which provide comprehensive economic revitalization efforts aimed at small historic downtowns and neighborhood commercial districts. The total funds for the Main Street Program in FY 2007-2008 are recommended at \$1.1 million.
- **Adds \$424,000 and \$150,000 in State General Fund to expand the Arts Division Grants Program and the Louisiana Decentralized Arts Funding Program respectively.** The purpose of the expanded Arts Division Grants Program is to incubate arts businesses and support arts service organizations, provide direct support for entrepreneurial artists, and development assessment and planning services for nonprofit arts organizations. The Decentralized Arts Funding Program is designed to give each parish the opportunity to determine its own cultural programs in response to local needs. There is a total of \$5.6 million recommended in FY 2007-2008 for the various arts grants within the Arts Program.
- **Adds \$251,000 in State General Fund to stabilize the Percent for Art Program.** This provides for a fully functioning and effective activity that directly impacts artistic and tourism economic opportunities. This program historically has been funded by a percentage of capital outlay expenditures, which can fluctuate greatly from year to year. This funding will provide a base operating level that will provide for continuity and dependability of service. The total recommendation for the Percent for Art Program in FY 2007-2008 is \$383,000.
- **Transfers \$1.76 million in State General Fund for the Louisiana Endowment for the Humanities from the Office of Cultural Development to the Board of Regents.**

The Office of Tourism for enhancement of activities:

- **Includes \$1.2 million in State General Fund to the Office of Tourism for a cooperative endeavor agreement with Essence Communications/Time Warner for the Essence Music Festival. The Essence Music Festival has an economic impact of an estimated \$130 million.**
- **Includes an additional \$0.9 million in Fees & Self-generated Revenues to allow the department to market and advertise the state as a tourist destination. This funding will aid in promotion and publicity endeavors focusing on the diverse cultural and recreational assets of the state. The department continues to alert the public that, in the aftermath of Hurricanes Katrina and Rita, Louisiana is ready to welcome tourists for an enjoyable recreational experience. Additionally, the department will continue to aggressively market the state to businesses and conventions. The total funding recommended to the Office of Tourism for marketing and advertising contracts related to publicizing the state of Louisiana is \$8.9 million for FY 2007-2008.**
- **Provides \$2.5 million in Statutory Dedication – 2004 Overcollections Fund support to the Greater New Orleans Sports Foundation for the 2008 NBA All-Star Game and \$25,000 for the 2008 NCAA Women’s Basketball Regional Final.**
- **Continues \$750,000 State General Fund support to the Greater New Orleans Sports Foundation for the 2008 Arena Football Bowl.; \$200,000 State General Fund support for the Bayou Classic.**
- **Provides \$1.9 million in Statutory Dedication – 2004 Overcollections Fund support to the Sugar Bowl for the 2008 Bowl Championship Series National Championship Game.**

Miscellaneous enhancement of activities:

- **Includes \$2.3 million in State General Fund for New Orleans City Park to continue basic operations of the park complex, to hire an additional 30 employees, to provide for unemployment insurance, to cover the increase in the cost of utilities, and to aid in recovery and rebuilding activities. This is an increase of \$1.1 million over the FY 2006-2007 funding level.**
- **Adds \$225,000 to Hodges Gardens for major repairs of environmental control systems, the irrigation and water control system, and to reactivate electrical street and garden lighting. The total funding for Hodges Gardens in FY 2007-2008 is \$1.7 million.**
- **Adds \$1.1 million in State General Fund and 14 positions for additional staffing and associated operational expenses in the Office of the Lieutenant Governor.**
- **Includes a total of \$653,021 in State General Fund, of which \$402,500 is an**

increase over the FY 2006-2007 Existing Operating Budget, for the Retirement Development Commission administered by the Office of the Lieutenant Governor. This will allow for strategic plan modification, community certification implementation, marketing plan development and research opportunities. \$120,000 is provided for 12 certified communities at \$10,000 each that allows for matching grants to be awarded to communities committed to promoting and developing their vicinity as attractive retirement destinations for retirees.

- Provides \$5.1 million State General Fund in Special Legislative Initiatives for educational, recreational, and cultural enrichment endeavors.

Labor

The Department of Labor's FY 2007-2008 Appropriation totals \$258.6 million. This reflects a net decrease of \$16.1 million, or 5.9% from the FY 2006-2007 Existing Operating Budget. The net reduction does not impact the core mission of the department. The reduction in funding is largely due to the non-recurring of \$28.3 million in Federal Funds for Job Training via a National Emergency Grant award used to address the employment predicament created by the Hurricanes, the non-recurring of \$1 million for Reintegration Counseling via a U.S. Department of Labor Grant award, \$6.5 million in Federal Funds for replacement acquisitions, and \$528,514 in State General Funds for special legislative projects.

- The Office of Workforce Development is funded to meet its core mission of working to lower the unemployment rate by working with employers, employees, and government agencies; and to provide the training, assistance, and regulatory services that develop a diversely skilled workforce with access to good-paying jobs.
- The Office of Workers' Compensation is funded to meet its core mission of ensuring a manageable, cost-effective worker's compensation system.

Department of Labor Initiatives:

- Adds \$1.4 million for information technology projects for the following projects: Louisiana Virtual One Stop redesign, LAVOS Web hosting, replacement of 8 old servers, network upgrade, personal computers, storage area network equipment.
- Adds \$4 million for standard statewide adjustments in personal services, including funding for a \$1,500 pay increase for all employees.
- Adds \$825,000 in Federal Funds per the U.S. Department of Labor (USDOL) for postage. Effective October, 2007 the USDOL will no longer make payments on behalf of states.
- Adds \$5.5 million in Statutory Dedications for increase for increased Incumbent Worker Training services.

- Adds \$12.7 million in Federal Funds for continued automation of the Louisiana Claims and Tax System (LaCaTS).
- Adds \$5.5 million in Statutory Dedications - Workforce Development Training Account for an increase to the Incumbent Worker Training Program (IWTP).
- \$300,000 increase in State General Funds in the Unemployment Compensation Program for the Domestic Violence Victims - Pilot program per Act 421 (HB963)

Transportation Infrastructure

The Department of Transportation and Development's (DOTD) FY 2007-2008 appropriation totals \$545 million. This represents a net increase of \$18 million, or 3.4% above the FY 2006-2007 Existing Operating Budget.

Public Works, Hurricane Flood Protection and Intermodal Transportation Agency Initiatives:

- Includes \$7.3 million, of which \$5.3 million is State General Fund, for the continued operating expenses of the LA Swift bus service. This service provides mass transit between Baton Rouge and New Orleans.
- Adds \$2.4 million, of which \$2.2 million is Federal Funds, for various public transportation projects: the Job Access/Reverse Commute program, aid to local governments for supplies, equipment and vehicles related to public transit, and enhancement of elderly/disabled programs. The FY 2007-2008 Budget Appropriation includes a total of \$19.2 million for these projects.

Engineering and Operations Agency Initiatives:

- Adds \$7.5 million in total funding for the Intelligent Transit System (ITS). This funding will permit DOTD to effectively administer critical business functions and to bring the system into full operation. The FY 2007-2008 Budget Appropriation includes a total of \$9.6 million for ITS.
- Adds \$7.8 million in Transportation Trust Fund - Regular to provide for increased costs associated with Contract Maintenance. These contracts provide for mowing, litter abatement, traffic signal maintenance and installation, rest area security, guardrail maintenance and highway painting. These costs have increased rapidly in the wake of the 2005 hurricanes. The total recommended funding level for contract maintenance totals \$28.9 million.

Other Transportation Initiatives:

- Eliminates 94 T.O. positions and reduces \$7.8 million in personal services for the continued effort to streamline DOTD's bureaucracy. This supports the

department's strategic goal to reduce authorized positions to 4,800 by the end of calendar year 2007. With elimination of these positions, the department has a recommended T.O. of 4,892 positions for FY 2007-2008. The department anticipates the additional positions will be reduced through the early retirement provisions of Act 672 of the 2006 Regular Legislative Session.

- **Provides \$1.8 million State General Fund in Special Legislative Initiatives for transportation and infrastructure improvements and activities.**
- **Continues enhanced funding of \$8.7 million Transportation Trust Fund - Regular for the Parish Road Program.**
 - \$2.7 million is distributed to parishes on a statutory per capita basis as stated in Louisiana Revised Statute 48:756 A.(1).
 - \$6 million is distributed to parishes on a per mileage basis as stated in Louisiana Revised Statute 48:756 A.(3).
 - The total FY 2007-2008 Budget Appropriation for the Parish Transportation Program continues at the FY 2006-2007 Existing Operating Budget level of \$47.9 million. This Program received an increase of \$8.7 million, or 22.3%, over the FY 2005-2006 funding level.
 - Adds \$1 million State General Fund for an increase in the statewide Mass Transit Program as per R.S. 48:756 B-E.
- **Provides \$1 million in State General Fund to begin the re-licensing of the Toledo Bend Project at the Sabine River Authority.** The Toledo Bend Project is the only hydroelectric facility in the United States owned and operated by a joint venture of two states: Louisiana and Texas. The Project operates under a license issued October 14, 1963 by the Federal Power Commission, which is now the Federal Energy Regulatory Commission (FERC), and it expires on September 30, 2013. A new license would renew the project for a term of 30 to 50 years. If the Project is not re-licensed, FERC could grant a third party a license to operate the project, or could retire the project and require expensive decommissioning activities. The projected cost of re-licensing the Project is \$10 million plus capital costs of implementing the new license, such as environmental enhancement measures. All costs are to be split equally between Louisiana and Texas. The Authority will require a total of \$6 million over the course of the re-licensing process through special appropriation or capital outlay. The process must be completed prior to expiration of the current license on September 20, 2013.

Insurance

The Department of Insurance's FY 2007-2008 appropriation totals \$31.2 million. This represents a net increase of \$2.6 million, or 9.2%, from the FY 2006-2007 Existing Operating Budget. 95% of the \$31.2 million total appropriation is funded through Fees &

Self-generated Revenues. These revenues are derived from various fees and licenses as authorized by the Louisiana Insurance Code. The department is funded to meet its core mission of regulating the insurance industry in the state and serving as advocate for the state's insurance consumers. The department is also working to help stabilize the property insurance market in the state so that insurance can remain available at a fair price.

Department of Insurance Initiatives:

- Adds \$1.4 million in total means of finance to fund statewide personal services adjustments, including funding for a \$1,500 pay increase.
- Adds \$513,900 in Fees & Self-generated Revenues for replacement computers, software, printers, servers, and accessories.
- Adds net of \$430,490 and six (6) positions per Legislative Acts. Act 459 abolishes the Insurance Rating Commission (-\$16,762); and Act 222 creates the Office of Consumer Advocacy to provide enforcement of a property insurance policyholder bill of rights; these right must be observed by all property insurers in the state (+\$447,352 and six (6) positions).



PUBLIC SAFETY

Emergency Preparedness

- The Division of Administration for a second year has \$25.2 million from the State Emergency Response Fund to provide funding in response to, or in preparation for future evacuation and shelter needs for one-three day event.
- **\$11.6 million in funding is appropriated in FY 2007-2008 to address interoperability issues statewide.** This funding combined with funding provided in FY 2006-2007 totaling \$9.8 million, brings the total funding of \$21.4 million for this effort. The funding will help address the lack of communication between different emergency responders. This funding includes support for local law enforcement as well as state law enforcement entities.
- **The Governor's Office of Homeland Security and Emergency Preparedness has an additional \$1.4 million State General Fund for 63 additional positions.**

Disaster Recovery

The State continues to focus on recovery and rebuilding efforts as a result of the catastrophic hurricanes of 2005:

- **\$4.5 million is provided for state match for Hazard Mitigation.**

Public Protection Services

- **Provides \$28.5 million in State General Fund for Supplemental Pay to Local Law Enforcement Personnel.** The monthly payment to eligible law enforcement personnel will increase from \$300 per month to \$425 per month, resulting in an additional \$12 million for Deputy Sheriffs, \$9 million for municipal police officers, and \$7 million for local firefighters. The monthly payment for Municipal Constables and Justices of the Peace will increase from \$75 per month to \$100 per month, resulting in an additional \$0.5 million for these officials.
- **Provides \$4.1 million in total funding for a pay increase for both State Troopers and Department of Public Safety Commissioned Officers.** A pay increase of \$2,800 per year is provided for in FY 2007-2008 for State Troopers, and a pay increase of \$1,500 per year is provided for in FY 2007-2008 for DPS Commissioned Officers in addition to

the \$1,500 annual state employee pay raise.

- **Provides \$3.5 million in total funding within the Uniform Construction Code Council to assist local governments in implementing the state's new uniform building code.** Act 12 of the 2005 1st Extraordinary Session provides for the creation of the council, whose primary functions include the review and adoption of the State Uniform Construction Code and provision of training and education of code officials.
- **Includes \$8.5 million for additional State Police staffing with two cadet classes funded and 50 additional Troopers on the road.** The cadet classes will graduate approximately 100 State Troopers in FY 2007-2008.
 - \$5.9 million additional funding will be utilized to fund a 50-member cadet class and increase the number of Troopers on the road by 50.
 - \$2.6 million total funding is provided and will be utilized to fill vacated commissioned positions and anticipated retirement vacancies.
- **\$34.8 million increase in State General Fund to allow Transportation Trust Fund to remain with the Department of Transportation and Development.**
- **\$10.2 million provided within the Criminal Identification and Information Fund for necessary State Police systems.**
 - \$3.3 million funding for DNA sampling of convicted offenders and felony arrestees.
 - \$6.9 million funding for the 2nd year of LEAF payments and maintenance of information technology upgrades associated with the Automated Fingerprint Information System (AFIS) and the Computerized Criminal History System (CCH).
- **Provides \$4.6 million to keep State Police's fleet operating at a high performance.** Provides for 482 replacement vehicles for State Police's vehicle fleet to be financed through the LEAF payment program.
- **Provides \$2.3 million in total funding to keep Troopers efficient and effective in the field.** The funding will be used to purchase replacement software for the Mobile Data System currently used by State Police Troopers to verify driver licenses, vehicle licenses, and other National Crime Information Center information from within their vehicles. The State Troopers also use the laptops to write accident, incident and other reports in addition to retrieving driver license photos and retrieving/updating policies in the field.
- **Adds \$1.6 million in total funding for the Next Generation Motor Vehicle project for Office of Information Technology projects.** The goal of the project is to provide improved service to Louisiana citizens who interact with the Office of Motor Vehicles. The project is currently in Phase II and is scheduled to be completed in calendar year 2008. The additional funding provided in FY 2007-2008 will bring the total funding of this project to \$11.2 million.

- **Adds \$1.1 million and 7 positions to the Office of State Fire Marshal to expedite post-hurricane rebuilding and uniform building code implementation.** The Office of State Fire Marshal reviews construction plans for consistency with fire and life safety codes and conducts safety inspections of buildings across the state. These additional positions will help avoid delays in plan review and inspections, which could impact Louisiana's rebuilding efforts and jeopardize public safety.
 - \$0.7 million in Fees and Self-generated Revenues and 7 plan review positions
 - \$0.4 million in Statutory Dedications from the Fire Marshall Fund for special entrance pay rate for inspector positions
- **Increase of \$4.5 million in Federal Funds for traffic projects from the Louisiana Highway Safety Commission.** Funding is associated with the Safe, Accountable, Flexible, and Efficient Transportation Equity Act-Legacy for Users. This program focuses on the following: child safety, child booster seat, alcohol impaired driving, countermeasure, motorcycle safety grants, state traffic system improvements and safety belt performance.
- **Adds \$0.8 million in State General Fund and 7 positions for Department of Justice's Forensic Lab expansion within the High Tech Crime Unit.**
 - The High Tech Crime Unit receives approximately 220 complaints per month. The Unit is projecting a 25% increase in complaints in FY 2007-2008. The current backlog is 1,581 requests. At its current staffing level and pace of responding to request it will take 1.5 years to respond. This expansion will reduce the backlog to 6 months.
 - The High Tech Crime Unit receives cases involving online auction fraud, child exploitation and abuse, computer intrusion, death investigations, domestic violence, economic fraud including online fraud and counterfeiting, e-mail threats, harassment and stalking, extortion, gaming, identity theft, narcotics, prostitution, software piracy, theft and telecommunications fraud.
 - The agency has approximately \$1.4 million budgeted in the High Tech Crime Unit, which consists of the Forensic Lab, Internet Crimes Against Children and the High Tech Unit.

Justice

- **Adds \$3.5 million in State General Fund for a pay increase for Assistant District Attorneys statewide.** Act 790 of the 2006 Regular Legislative Session raised the annual salary paid by the state to each assistant district attorney from \$30,000 to \$35,000 effective July 1, 2006. The legislation also raised the annual salary paid by the state to each assistant district attorney from \$35,000 to \$40,000 effective July 1, 2007.

- **Adds \$494,000 in total funding for Investigator pay raise for the Department of Justice.** A pay raise for the investigators within the Criminal Law and Medicaid Fraud Program is included in the FY 2007-2008 Appropriated Budget. According to the Department, for the past three years the average turnover rate for investigator positions has been 28%. It takes the Department approximately 90 days to recruit, interview, perform background checks, hire and train an employee. The most cited reason for investigators leaving the Department has been compensation.
- **Continues \$0.5 million in State General Fund for Legal Services Corporation to provide free civil law services and civil representation to eligible applicants**
Funds will be split evenly among the Legal Services of North Louisiana, Acadiana Legal Services, Southeast Louisiana Legal Services and Capital Area Legal Services.

Corrections Services

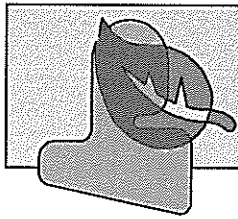
- **Adds \$8.8 million in State General Fund and 259 positions to staff and operate the new Special Needs Facility expansion.** The funds are for the Elayn Hunt Correctional Center in St. Gabriel for a geriatric health care facility. This project will add 273 special purpose beds to the facility.
- **Adds \$3.9 million in State General Fund and 60 Probation and Parole Officers to supervise sex and violent offenders.** Funding is added to provide more probation and parole officers to monitor high risk predators with a high probability of a repeat offense. The additional positions will reduce the caseloads of these specialized officers enabling them to provide critical behavior modification tools for these offenders.
- **Adds \$2 million in State General Fund for Substance Abuse Treatment Programs**
Substance Abuse counselors will be provided to a larger portion of the state's general inmate population. In previous years, only inmates with non-violent offenses were eligible to receive substance abuse counseling. The additional funding will provide counselors for violent offenders as well.
- **Adds \$0.8 million in State General Fund for carpentry and welding trainings.** The fast track carpentry and welding programs will train and prepare inmates for employment in the areas of carpentry and welding upon their release. These programs will be comprised of training courses that condense a traditional 12 month curriculum to 8 to 12 weeks to meet the demands of these industries. Many of the inmates participating in the courses will be offered employment in these industries upon release.
- **Adds \$40.5 million in State General Fund to provide \$152.9 million of total funding for the housing of state adult offenders in parish and local prisons.**
 - **The cost of housing state offenders in parish and local prisons will increase in FY 2007-2008 by \$33.8 million.** This increase is attributable to the continued housing of offenders as a result of Hurricanes Katrina and Rita as well as the subsequent intake of arrestees from the Orleans Parish Prison following the assignment of the Louisiana National Guard and Louisiana State Police to assist the

New Orleans Police Department.

- **\$6.6 million of funding is added to fund an increase in the per diem rate.** The per diem rate for both local housing of adult offenders and adult work release will be increased in FY 2007-2008 by \$1.00 per inmate per day.

Department of Military Affairs

- **Adds \$3.4 million in State General Fund and 77 positions to the State Military Department to address workload changes for the following areas:**
 - Camp Beauregard - \$1.5 million and 35 positions
 - Camp Minden - \$756,000 and 16 positions
 - Gillis Long - \$274,050 and 9 positions
 - Jackson Barracks - \$465,750 and 10 positions
 - Administrative Unit - \$344,250 and 7 positions
- **Adds \$2.1 million in State Funds for major repairs and acquisitions for military facilities statewide.** The funding is needed to address a portion of the backlog in major repair needs statewide that fall under the Facility Planning and Control \$150,000 cap. The funding will also provide for some of the necessary equipment for the armories statewide to perform day-to-day activities. During the 2007 Regular Session of the Legislature, an additional \$449,000 in State General Fund was provided to purchase a fire truck and brush truck at Camp Minden. This brings the total funding for major repairs and acquisitions for military facilities statewide to \$2,554,000 in total State funding.



ENVIRONMENT & NATURAL RESOURCES

Saving Louisiana's Coast

The Department of Natural Resources is expanding the Coastal Impact Assistance Program (CIAP). The FY 2007-2008 Appropriation allows for \$14.6 million additional federal funding in the Office of Coastal Restoration and Management Program for the second installment of the \$540 million for coastal projects that Louisiana will receive over the next four years. Nineteen (19) Louisiana coastal parishes will receive \$190 million of the \$540 million being directed to Louisiana for coastal projects.

The Coastal Protection and Restoration Authority of Louisiana has worked cooperatively with the nineteen (19) coastal parishes to assemble a group of restoration, conservation, and infrastructure projects that will produce significant results for Louisiana in a timely manner. The restoration and conservation projects that are included in the Coastal Impact Assistance Plan and Coastal Protection and Restoration Master Plan embody principles of sustainable coastal restoration and protection. The Plan components involving proposed expenditures of the State's share of CIAP funds include the following major categories:

- Enhanced Management of Mississippi River Water and Sediment
- Protection and Restoration of Critical Land Bridges
- Barrier Shoreline Restoration and Protection
- Interior Shoreline Protection
- Marsh Creation with Dredged Material
- Coastal Forest Conservation Initiative
- Infrastructure Projects to Mitigate Onshore OCS Impacts

The FY 2007-2008 Appropriation maintains funding to carry out activities related to the core mission of the Department of Natural Resources. The total budget is increased by \$25.5 million. Major funding items:

- Includes \$1 million for the Southeast Louisiana Flood Protection Authority - East and Southeast Louisiana Flood Protection Authority - West Bank (\$500,000 each) from the Coastal Protection and Restoration Fund – an increase of \$500,000 of FY 2006-2007.
- An increase of \$1.5 million in Interagency Transfers from the Department of Wildlife and Fisheries for underwater obstruction cleanup as the result of damage caused by Hurricanes Katrina, Rita, and Cindy.

- A net increase of \$25,634,175 in Statutory Dedications for the Coastal Impact Assistance Program (CIAP) and Coastal Wetlands Planning, Protection, and Restoration Act funding with Wetlands Funds.
- An increase of \$950,592 in State General Fund to accommodate the expansion of the Well Inspection Program by hiring 11 additional Conservation Enforcement Specialists (CES), 1 Conservation Program Manager and 1 Administrative Coordinator. This also provides a state vehicle to each of the existing and new CES, 6 additional boats, and the equipment necessary to expand this division.
- A transfer of \$64,000,000 from the Coastal Protection and Restoration Fund to the Barrier Island Stabilization and Preservation Fund for the Office of Coastal Restoration and Management. This transfer is contingent upon sale, securitization, refinancing or any other transaction involving state tobacco assets.

Continuing Services

The Department of Agriculture's FY 2007-2008 Appropriation totals \$102.7 million. This represents a net decrease of \$2.7 million, or 2.58% from the FY 2006-2007 Existing Operating Budget. The reduction does not impact the core mission of the department. The reduction in funding is largely due to the non-recurring of \$1.4 million from the State Emergency Response Fund for one-time expenditures associated with the Pet Evacuation Project, the non-recurring of \$5.3 million in federal funds from the U.S. Department of Agriculture and Forest Service to support enhanced forestry program in states affected by the hurricanes, the non-recurring of \$500,000 in total funds for one-time tree planting and the planting of other native plants due to losses sustained from Hurricanes Katrina and Rita in the Forestry Program.

Significant adjustments include:

- \$86,465 State General fund decrease - Future Farmers of America funding transferred to LSU Agricultural Center.
- \$320,000 increase in State General Funds to comply with state audit requirement and other operating expenses for the Soil and Water Conservation program.

The Department of Environmental Quality's FY 2007-2008 Appropriated Budget totals \$154.5 million. This represents a net decrease of \$61.4 million, or 28.5% from the FY 2006-2007 Existing Operating Budget. The reduction does not impact the core mission of the department. The reduction in funding is largely due to non-recurring hurricane funding.

Major activities within the Department of Environmental Quality:

- **Includes \$13.2 million of Environmental Trust Funds for surveillance.** This activity provides for the inspection of permitted and non-permitted facilities relative to air emissions, solid waste, water quality, hazardous waste, sources of radiation, and

priority projects related to asbestos and lead-based paint hazards to ensure the protection of public health and occupational safety and welfare of the people and the environmental resources of Louisiana. The funds are distributed as follows:

- \$4.5 million for the Headquarters and Capitol Regional Office located in Baton Rouge
 - \$3.1 million for the Southeast Regional Office located in both New Orleans and Bayou LaFourche
 - \$1.7 million for the Acadian Regional Office located in Lafayette
 - \$1.5 million for the Southwest Regional Office located in Lake Charles
 - \$1million for the Northwest Regional Office located in Shreveport
 - \$1.4 million for the Northeast Regional Office located in both Monroe & Alexandria
- **Includes \$4.7 million of Environmental Trust Funds for enforcement.** This activity provides for the enforcement of the States' environmental laws and regulations through the issuance of cease and desist orders, penalty assessments, and compliance orders.
 - **Includes \$8.8 million of Environmental Trust Funds for permitting.** This activity provides for the regulation of pollution sources through permitting activities which are consistent with both federal and state laws and regulations.

The Department of Environmental Quality will accomplish the following during FY 2007-2008:

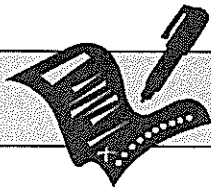
- 93 companies participating in voluntary efforts to reduce pollutants
- 95% of criminal cases referred to investigations that are properly forwarded to the appropriate district attorney
- 95% of radiation licenses inspected
- 90% of x-ray registrations inspected
- 100% of mammography facilities inspected
- 95% of emergency planning objectives successfully demonstrated 95% of verified mercury fish sampling results posted within 30 days on DEQ website
- 99% of parishes meeting the toxic air pollutant ambient air standards
- 95% of currently generated waste tires going to recycling

Louisiana Department of Wildlife and Fisheries

The Department of Wildlife and Fisheries' FY 2007-2008 appropriation totals \$115.2 million. This represents a net increase of \$2.3 million, or 2.08% increase from the FY 2006-2007 Existing Operating Budget.

The Louisiana Department of Wildlife and Fisheries initiatives:

- **Includes \$1.7 million in federal funding for enhancement of habitats.** This funding will allow for the development and implementation of programs that benefit wildlife and their habitat, particularly species that are not hunted or fished.
- **Adds \$4.0 million of funding from statutory dedications for enhancement of the aquatic weed eradication program.**
- **Includes \$14.9 million in federal funding for disaster recovery of Gulf Fisheries Industries.** This includes oyster bed and shrimp ground rehabilitation, cooperative research to monitor the recovery, and for reseeded, rehabilitation and restoration of oyster reefs.
- **Adds \$0.5 million of funding from statutory dedications to provide for pay increases for all wildlife and fisheries enforcement agents.**



GENERAL GOVERNMENT

Administration

- **In FY 2007-2008 total funding for the Division of Administration is \$5.9 billion, an increase of \$129 million, or a 2.25% increase when compared to FY 2006-2007 Existing Operating Budget (EOB) as of 12/1/06. State General Fund is \$71.3 million, a decrease of \$5.7 million, or a 7.36% decrease from the EOB. Major highlights in the Division of Administration are:**
 - In FY 2007-2008 total funding for the Road Home Program is \$5.580 billion and 79 positions.
 - In FY 2007-2008 total funding of \$3.5 million provides for 35 project management positions for the development and improvement of FEMA funded projects, including preparation of FEMA Project Worksheets (PW), negotiating with FEMA on the PW contents, as well as performing audits of FEMA and HUD expenditures.
- **In FY 2007-2008 total funding for Risk Management (ORM) Premiums is \$196.68 million of which \$109.61 million is State General Fund. This is a decrease of approximately \$3.9 million and represents a 1.9% change from Existing Operating Budget.**
- **ORM continues to provide funding of \$36.5 million for Excess Property Commerical Insurance premiums. This funding provides the state \$200 million of coverage with a \$50 million Self-retention amount or deductible. Commercial carriers will pay for coverage up to \$150 million. Coverage provided Pre-Katrina was \$500 million with a \$25 million deductible per event by commerical carriers.**
- **Provides \$125 million in Fees and Self-generated Revenue to ORM to process and pay claims filed against the state due to damages caused by Hurricanes Katrina and Rita in which the revenue is dervied from excess commerical carriers.**
- **In FY 2007-2008 a 6% group insurance premium rate increase for active employees of approximately \$46.5 million total means of financing (\$27.1 million in State General Fund); and retirees of approximately \$35.9 million total means of financing (\$22.3 million in State General Fund) is appropriated. Agencies are funded for a 6% rate increase for active employees and retirees which results in an increase of \$82.4 million in total means of financing.**

- **Division of Administration Debt Service and Maintenance increased by \$0.5 million as the State occupied two new buildings in Capitol Park.**
 - The Department of Health and Hospitals moved into the Bienville Building; the Department of Social Services moved into the Iberville Building.
 - \$2.9 million in total means of financing is provided for increased costs of state buildings and grounds maintenance
 - \$13.9 million in total means of financing is provided for bonded indebtedness and operating/maintenance cost for buildings owned by the Office Facilities Corporation
- **Office on Women's Policy continues to provide \$1.5 million in Temporary Assistance to Needy Families (TANF) funding via the Department of Social Services for the Domestic Violence Program.** The program focuses on encouraging the formation and maintenance of two-parent families by providing crisis services to assist women and children living in a "special needs/family violence" situation, in order to promote their safety, self sufficiency and the opportunity to develop healthy non-violent two-parent families.
 - An additional \$1.6 million in State General Fund was added to this agency's budget via an amendment during the 2007 Regular Session of the Legislature. This funding will be equally allocated to each parish to receive \$25,000 for the Domestic Violence Program.
- **The Office of Elderly Affairs** continues to provide \$4.0 million in State General Fund for formula funding to the Senior Centers.
- **The Louisiana Indigent Defense Assistance Board (LIDAB) in FY 2007-2008 is funded at \$28.6 million.** This represents an \$8.1 million increase (39.5%) over FY 2006-2007 (EOB as of 12/1/06). Included in this increase is funding for implementation for legal representation for indigent parents by LIDAB, per Act 95 of the 2007 Regular Session of the Legislature (\$514,005) in child abuse and neglect cases. The funding was also provided based on recommendations from the Task Force on Legal Representation in Child Protection Cases.
- **The Mental Health Advocacy Service (MHAS) in FY 2007-2008 is funded at \$1.98 million.** This represents an \$820,290 (70.69%) increase over FY 2006-2007 (EOB as of 12/1/06). The agency's number of authorized positions increased by 17 over FY 2006-2007 EOB; thus, bringing the total number of positions to 36. This funding provides for the second phase of implementation of recommendations from the Task Force on Legal Representation in Child Protection Cases. The recommendation with respect to MHAS was for this agency to provide legal representation to children in child abuse and neglect cases. This is also consistent with Act 95 of the 2007 Regular Session of the Legislature.

Elections

- **\$17.0 million in State General Fund for 3 statewide elections and 3 local and/or municipal elections.** Additional funding is included to provide funding for increased compensation for commissioners-in-charge and certified commissioners who serve at polling places on election days, per Act 297 of the 2007 Regular Session of the Legislature (\$5,746,500 State General Fund). Also, funding was provided to fully fund 13 additional positions for the Absentee Section in the Elections Program (\$433,208 State General Fund). Funding was also provided for salary ranges and pay schedule changes for the compensation of registrars of voters, chief deputies and confidential assistants, per Act 254 of the Regular Session of the Legislature (\$231,382 State General Fund).

Office of Revenue

- **Provides an additional \$3.3 million in Fees and Self-generated Revenue in the Office of Revenue for projects approved by the Office of Information Technology that are designed to improve efficiency and customer service to taxpayers.**
- **Funding is provided to continue assisting citizens and businesses of Louisiana to recover from the disasters of 2005, by offering the following expanded services:**
 - Tax incentive tools (rebates, credits, exemptions, etc) are available to businesses and individuals
 - Waives bond requirements and issues temporary permits for importation of fuel to facilitate reconstruction efforts
 - Expedites tax refunds to businesses and expanded utilization of direct deposit for all refunds
 - Contributes resources (staff and equipment) to call center operations designed to assist displaced residents with housing and transportation needs
 - Assigns Spanish speaking staff to strategic locations to assist migrant workers with issues from housing to tax related matters on an as-needed basis
 - Provides information technology services to other agencies to assist displaced residents with acquiring financial assistance
 - Posts staff at the numerous Small Business Administration Federal Disaster Centers and Business Assistance Centers to assist persons with filing their claims for sales tax refunds on personal property destroyed as well any other tax assistance they may need (both businesses and individual taxpayers)

- Offers free income tax preparation and filing services in all regions of the state.

Local Aid

- **Schedule 20-945 includes State General Fund for Special Legislative initiatives totaling \$30 million.**
- **Schedule 20-945 continues funding of \$3.6 million in State General Fund to Orleans Parish for the casino support services contract.**
- **Schedule 20-945 includes funding of \$200,000 in State General Fund for the Dryades Young Men's Christian Association.**
- **Schedule 20-945 includes funding of \$100,000 in State General Fund for the Epilepsy Foundation of Louisiana.**
- **The following initiatives in Statutory Dedications are provided in Schedule 20-945:**
 - \$500,000 added from the Rehabilitation for the Blind and Visually Impaired Fund for the Louisiana Association for the Blind per Act 285 of the 2006 Regular Session of the Legislature.
 - \$5,016,671 added from the 2004 Overcollections Fund to be expended in the same manner as monies received by the parish pursuant to Act No. 641 (Revenue Sharing) of the 2006 Regular Session of the Legislature as follows: \$666,322 St. Bernard Parish, \$155,603 Plaquemines Parish, \$22,847 Cameron Parish, \$4,171,899 City of New Orleans.
 - \$3,000,000 added as follows: \$1,125,000 to be distributed pursuant to the formula provided in R.S. 47:843(E) (3 cents distribution formula), and \$1,875,000 distributed pursuant to the formula provided in R.S. 47:868-869 (8 cents distribution formula).
 - \$6,640,000 added from the 2004 Overcollections Fund for the New Orleans, City of - for the New Orleans Police Department for school buses, recruiting efforts, vans, mobile command units, armored vehicles, bulletproof vests, patrol cars, and bonuses for lateral officers hired from other states.
 - \$10,000,000 added from the 2004 Overcollections Fund for the Louisiana Family Recovery Corporation to provide direct response to residents returning home after the 2005 hurricanes.

